

REVISED MOTION BY SUPERVISOR MARK RIDLEY-THOMAS October 18, 2016

Restitution to the Los Angeles Memorial Coliseum Commission

In March 2012, the Los Angeles County District Attorney filed criminal charges against the Los Angeles Memorial Coliseum (Coliseum) and Sports Arena's former General Manager, Patrick Lynch, and Assistant General Manager, Todd DeStefano, and against the promoters of certain raves held at the Coliseum and Sports Arena, Pasquale Rotella of Insomniac, and Reza Gerami of Go Ventures, and others.

The criminal defendants were indicted on multiple counts of conspiracy to commit embezzlement, conflict of interest, and bribery. The bribery and embezzlement scheme resulted in significant financial losses to the Los Angeles Memorial Coliseum Commission (Commission) and its Association, and direct, unlawful enrichment to the criminal defendants. This fraudulent activity opened the doors for Pasquale Rotella of Insomniac, and Reza Gerami of Go Ventures to hold exceedingly lucrative events at the Coliseum.

- MORE -

MOTION

RIDLEY-THOMAS _____

KUEHL _____

KNABE _____

ANTONOVICH _____

SOLIS _____

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Shortly after the indictments, the judge in the criminal case accepted a plea bargain from former General Manager Patrick Lynch for one felony count that included payment of \$385,000 in restitution directly to the Commission. In August 2016, the judge accepted plea bargains from Pasquale Rotella and Reza Gerami.

Rotella, who was originally indicted in 2012 on six felony counts, pleaded no contest to a single misdemeanor conflict-of-interest charge. The plea agreement required Rotella to pay \$150,000 to Los Angeles County (County) in restitution and to serve three years of probation.

Gerami, who originally faced nine felony counts, accepted a similar deal and was required to pay \$30,000 to the County in restitution and to serve three years of probation.

For reasons unknown to County, the judge, at the request of the criminal defendants, allowed these restitution payments to be made to the Los Angeles County Treasurer and Tax Collector (County Treasurer) instead of the Commission. Rotella paid his restitution to the County Treasurer on September 19, 2016. Gerami has not yet paid his restitution to the County Treasurer.

In September 2016, the judge also accepted the plea bargain of former Assistant General Manager Todd DeStefano, who originally faced 12 felony counts. His plea agreement includes restitution in the amount of \$500,000 to be paid directly to the Commission and a six-month jail sentence.

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The combined total of all the restitution amounts ordered to be paid by the criminal defendants comes nowhere near the losses suffered by the Commission as a result of the activities of the criminal defendants. The Commission, whose funds are limited, is still pursuing the civil prosecution of these individuals.

Fairness and equity mandate that all of the restitution paid by the criminal defendants in this case be returned to the Commission, which is the victim of the alleged crimes.

I THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:

Approve an appropriation adjustment that recognizes \$180,000 new General Fund revenue received from Rotella and Gerami and a corresponding increase in appropriation of \$180,000 to the Nondepartmental Special Account budget unit.

I FURTHER MOVE THAT THE BOARD OF SUPERVISORS:

Authorize the Chief Executive Officer to execute a funding agreement with the Los Angeles Memorial Coliseum Commission (Commission) in an amount not to exceed the actual receipt of restitution funds pursuant to Government Code section 6504, so funds may be used for the purposes of the Commission, as set forth in the Joint Exercise of Powers agreement entered into between the County, City of Los Angeles and the State of California.

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(FR)

September 27, 2016

DEPT NO: 060

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF CHIEF EXECUTIVE OFFICER

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR**FY 2016-17****4 - VOTES****SOURCES****USES****NONDEPARTMENTAL SPECIAL ACCOUNTS**

A01-CB-94-9711-13690

NON-RECURRING MISC REVENUE

INCREASE REVENUE**180,000****NONDEPARTMENTAL SPECIAL ACCOUNTS**

A01-CB-5500-13690

OTHER CHARGES

INCREASE APPROPRIATION**180,000****SOURCES TOTAL****\$ 180,000****USES TOTAL****\$ 180,000****JUSTIFICATION**

Recognizes \$180,000 in General Fund revenue received by the County for restitution related to criminal charges against Los Angeles Memorial Coliseum and Sport Arena's former managers and a corresponding increase in appropriation to transfer the restitution to the Coliseum.

ADOPTEDBOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

8

OCT 18 2016*Matthew McGloin*

AUTHORIZED SIGNATURE

MATTHEW MCGLOIN

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

Lori Glasgow
LORI GLASGOW
EXECUTIVE OFFICERREFERRED TO THE CHIEF
EXECUTIVE OFFICER FOR---☐ ACTION☒ RECOMMENDATION

AUDITOR-CONTROLLER

BY

B.A. NO. 040

DATE

Lanham
October 4, 2016☒ APPROVED AS REQUESTED☐ APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

BY

DATE

David Seufelt
10/4/16